



Balancing dilemmas of the balanced scorecard

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Abstract

Purpose – The aim of this paper is to debate various critical issues in the implementation and use of the balanced scorecard (BSC) as a management control tool. Because there is no self-evident solution to these critical issues, they are termed dilemmas.

Design/methodology/approach – The paper contributes to the BSC debate by collecting insights from empirical findings, as well as exploring various theoretical aspects.

Findings – After presenting four perceived dilemmas and how they affect the implementation and use of the BSC in various settings, the paper concludes that there is a need for further debate and research on these dilemmas.

Research limitations/implications – The paper is primarily a contribution to the debate concerning the balanced scorecard and its range of application as a management control model.

Practical implications – The paper is motivated by an overall high rate of implementation failure in various practical settings.

Originality/value – Some of the problems described have been debated before, whereas others are new. However, there has been hardly any discussion of the dilemmas in conjunction with one another. The paper is an attempt to generate important new questions about the future implementation and use of the BSC.

Keywords Balanced scorecard, Control

Paper type Research paper

Introduction

Over the last two decades there has been criticism, from both practitioners and researchers (Johnson and Kaplan, 1987; Johnson, 1992; Wallander, 1999) of management accounting and control practices and their lack of either relevance or usefulness. It has been suggested that perceptions of management accounting and control tools and techniques have changed. Previously seen as instruments for supporting top management in making complex organizational activities and transactions more intelligible to managers in general, the tools are now regarded as separating top management from the organization by being too abstract (Johnson, 1992), short-sighted (Miller, 2003), money-oriented (Johnson and Kaplan, 1987) and simplified (Johnson, 1992).

Another important argument in the criticism concerns the transformed approach to organizational value creation (Ramirez, 1999), where industrial logic has been challenged (Normann and Ramirez, 1993; Wikström *et al.*, 1998). Industrial logic and



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the traditional tools of management accounting and control do not lend themselves to visualization of crucial value-creating aspects, including intangible resources such as knowledge and customer relations (Flamholtz, 1985; Sveiby and Lloyd, 1987; Quinn, 1992). These intangible resources have been cited as the only truly sustainable competitive advantages for the single firm (Mouritsen, 1998). Organizations of various kinds have realized that the traditional means of control, which have often involved mutually isolated financial and non-financial measures, objectives and targets, can no longer be legitimized (Johanson *et al.*, 2001a, b).

The balanced scorecard (BSC) was proposed by Kaplan and Norton (1992) to overcome the shortcomings of traditional management accounting and control. Only a few years after the introduction of the model, numerous firms throughout the West claimed to have applied the BSC (Ampuero *et al.*, 1998; Kald and Nilsson, 2000; Speckbacher *et al.*, 2003). However, a literature survey performed in 1999 (Johanson *et al.*, 1999) revealed that solid investigations of BSC practices were hard to find. Articles published up to 1998 were mostly normative and filled with expectations and hopes. Today, as recent literature demonstrates, there is no longer a shortage of articles about experience with the BSC.

Interestingly but not surprisingly, most issues raised in articles about the experience of applying the BSC are not unique to the BSC. Rather, they are of a general nature in terms of management control change. These issues have often been addressed before. Although applying the BSC is often expected to solve many of the relevance problems associated with management accounting and control practices, the question of whether the BSC really helps to overcome such shortcomings as abstraction, short-sightedness, monetary orientation, oversimplification and lack of focus on intangible factors in the organization remains.

The aim of the current paper is to debate various critical issues in the implementation and use of the BSC as a management control tool. Because there is no self-evident way of dealing with these critical issues, they are termed “dilemmas”. Balancing different perspectives is a central issue with respect to the BSC. The actual implementation and use of the BSC, too, seem to be a balancing act between different conflicting interests or dilemmas. This article is an attempt to gather these BSC dilemmas in one context in order to generate important new questions about future implementation and use of the BSC. We have grouped the dilemmas under four headings: implementation and employee mobilization; one-size-fits-all problems; the time dimension; and various organizational logics. Before embarking on the four balancing dilemmas, we shall briefly address the BSC proposal.

According to Kaplan and Norton (1996, 2001a, 2004), an effective strategic learning process requires a shared strategic framework that communicates the strategy and enables all participants to see how their individual activities contribute to overall strategy fulfilment. As such, the BSC is supposed to represent an organization’s shared vision. Moreover, it should be an instrument for internal consensus-building. By using the measurements as a language for translating complex and frequently nebulous concepts into more “precise” indicators, senior executives may be more likely to find a common agenda. Thus, the BSC idea is to communicate a holistic model, linking individual efforts and accomplishments to business-unit objectives.

General experience of the BSC

To ensure that people know what is expected of them, strategies need to be translated into congruent goals at each level of the organization. If this is done and a cause-effect analysis is performed, it is supposedly easier to operate in the “cockpit” when navigating in the market (Kaplan and Norton, 1992, 1993, 1996, 2001a, 2004). The perfect cockpit should be easy to oversee, and the “scorecard” metaphor also implies an easy, flexible indicator system. Managing the cockpit suggests easily attainable, or at least understandable, goals; and the various scorecards must interconnect so that the strategies in one correspond to the goals in the others. A balanced view of the various non-financial, as well as financial, perspectives is necessary. However, it has become evident that the word “balanced” does not mean that the four perspectives are equally important. In the original text and the conceptualization, the financial perspective is placed on top and this has affected the development and diffusion of balanced scorecards in private firms. In suggesting that in non-profit organizations the financial perspective should be placed at the bottom of the generally accepted visualization, Kaplan and Norton (2001b) recognize this imbalance.

It is apparent that the Kaplan and Norton approach to management accounting and control has induced a number of organizations to apply many of the thoughts and ideas linked to the BSC (Ax and Björnenak, 2004). This influence is evidently based on efforts to combine financial and non-financial measures at multiple levels within organizations, and to make strategy and learning about value creation important to all members of the organization.

When the balanced scorecard was introduced, its inventors used a persuasive rhetoric that addressed both the pathos and the logos of its recipients (Nörreklit, 2003). This approach, coupled with credible cause-and-effect relationships among the four perspectives, has certainly contributed to the rapid diffusion of the BSC.

Experience of implementing and using the BSC has been investigated in numerous studies, in private and public organizations alike. The results differ in terms of success and failure, but with an apparent predominance of success stories (Mooraj *et al.*, 1999; Chan, 2004). Chan (2004) provides the following list of enablers for successful implementation: top managers’ commitment; middle managers’ and employees’ participation; a culture of performance excellence; training and education; keeping the BSC easy to use; clarity of vision, strategy and outcome; links with incentives; and resources to implement the BSC. Similar lists of implementation requirements are also provided by, for example, McCunn (1998); Olve *et al.* (1997) and Williams (2004).

There are also a number of papers analyzing the BSC from a less affirmative perspective (e.g. Epstein and Manzoni, 1998; Nörreklit, 2000; Marr and Adams, 2004). These indicate that a considerable proportion of implementation processes seem to go astray. According to an early KPMG report, cited by McCunn (1998), more than 70 per cent of scorecard implementations fail. Failures may be due to a lack of highly developed information systems, inadequate top-management support and/or excessive management focus on short-term issues (Chan, 2004). Kald and Nilsson (2000) assert that the main use of BSC in practising organizations is decision-making support at top-management or operational level; but the performance measurements, such as their short-term and historical focus, bias towards financial performance and information overload, exhibit many shortcomings.

A Greek study (Papalexandris *et al.*, 2004) focusing on the implementation of the BSC in a Greek-based software-development company (SDC) may serve as an introductory example. SDC, being a global actor, aimed to use the BSC as a means of change and to support its strategic goals. The procedure, with various project groups developing the BSC in accordance with managers' and employees' wishes, caused tensions among divisions. As a result, the expected time needed to implement BSC was exceeded. Experience also showed that after one year with the BSC, the measures selected, which were thought to have a strong and positive correlation, failed to affect one another to the anticipated degree. Measurements were therefore altered, giving rise to a debate as to whether the measures actually supported the strategy or whether they only showed what the managers wanted to demonstrate regardless of the strategy.

Implementation and employee mobilization

Lukka (1998) argues that there are two different approaches to the development of non-financial measures in organizations. The first is described in several Scandinavian studies. These studies are in line with the idea of narrative understanding of organizations, where non-financial measures are developed in local units – a form of development undertaken through experimental learning processes. These processes are directly related to the activities performed within the units, and the development is independent from the strategic goals of the whole firm. Lukka argues that the other kind of development can be found in American texts. Here, non-financial measures are developed from firms' strategies in a top-down approach. The measures, which are similar in different local units of the organization, are directly linked to the critical success factors of the organization. Lukka (1998, p. 340) holds that "the top-down approach to developing a system of non-financial measurement corresponds to the idea of trying to spread paradigmatic understanding within an organization, which may cause problems at the local level." With respect to BSC, which is an example of the latter approach, strategies, goals, and measures are supposed to cascade down through the organization (Kaplan and Norton, 1996, 2001a, b) But is the implementation process that easy?

The idea of BSC implementation

Implementation of reforms often fails (Brunsson and Olson, 1998), partly because of the very idea of implementation. The concept of implementation suggests that there is one specific model that needs to be "sold" to people in the organization. The concept, therefore, does not allow for an open invitation to participate in a learning and development process where different voices are treated with the same respect. On the contrary, implementation means that the implementer knows what to do. It is just a matter of convincing others – those who are supposed to use the new model. Accordingly, the very idea of implementation conveys a message that pinpoints the BSC as a product of top-management mentality, not open to real participation. Trying to force the mentality of one group on that of another is a risky project. A dilemma is that, at the same time as a new model needs to be implemented, the very idea of implementation may serve as an insurmountable barrier.

Top-down goal-congruence process of the BSC and the individual's freedom and attraction

Dinesh and Palmer (1998) and Johnsen (2001) claim that the BSC shows many similarities to management by objectives (MBO), which was introduced back in the 1950s (Drucker, 1954). MBO suggested that a focus on goal congruence and collaboration between different hierarchical levels in the organization was the best route to increased profitability. Both MBO and the BSC are, according to Dinesh and Palmer (1998), based on the X and Y theories proposed by McGregor (1960). Considering that theory Y (that humans like working) is more adequate than theory X (that humans dislike working), productivity can best be increased by clarifying strategically aligned goals. The latter implies that if people who actually like to work know what is expected of them, they will contribute to the firm's productivity with happiness and joy.

However, the implementation process is much more complicated. The BSC is supposed to leverage productivity through improved learning. But the wellspring for individual learning and competence creation is a human spirit that is free, motivated and creative (Mouritsen and Johanson, 2005). They originate in individuals' experience of intelligibility, empowerment and meaningfulness (Antonowsky, 1987). Intelligibility implies that the world is experienced as non-chaotic and explicable, while empowerment concerns the individual's experience of having resources to meet and handle events in the environment; meaningfulness is about the meaning of (working) life perceived by the individual. Intelligibility, empowerment and meaningfulness cannot be commanded or forced through a top-down process. The latter causes a managerial problem (Mouritsen and Johanson, 2005) with respect to models like the BSC, which aspires to liberate the employee's creativity and productivity. However, using the model creates a dilemma because, by necessity, the human as a happy and loving subject must be treated as an object to fit the model. Andersen and Born (2001) use the word "love" to characterize the exchange relationship between top management and employees. They suggest a new role for the manager in this exchange relationship: "The manager has to provide the employee the possibility to give. In today's semantics the manager has to create possibilities of development of the employee, flexible conditions, and delegation. In return it is expected that the employee exploits this new space of possibilities to show responsibility, flexibility, initiatives and creates results" (Andersen and Born, 2001, p. 149). It is questionable if goal congruence and collaboration, initiated from the top, are sufficient conditions for attracting individuals to the firm, encouraging their competence, and boosting their productivity.

What can make BSC implementation successful is the focus of the management control process, i.e. if it is a focus on measures or on understanding and action (Johanson and Skoog, 2001). This balance is also a delicate issue. Many studies have witnessed too heavy a focus on the former, i.e. the development of measures (Johanson *et al.*, 1999). Performance measures tend to focus on what can easily be measured, but do not succeed in capturing complexity (Townley, 2001). Hansson (1998) warns that the BSC indicators are too restricted because they fail to capture drivers and processes underlying firms' output. Examples of such drivers may be feelings, values, beliefs, relationships, fears and dreams. Accordingly, abstract BSC models addressing what is most easy to measure may alienate employees from the system, thereby hampering learning and development. That the BSC falls into the same abstract trap as

conventional management control, i.e. the same trap that the BSC was intended to overcome, may be a risk.

Experience with the BSC reveals that devising measures does not seem to be a major problem. The main difficulty appears, rather, to be that of selecting the most adequate measures. And too strong a focus on measures instead of promoting understanding and learning may alienate the individual employee who is intended to be mobilized. On the other hand, using the BSC as a tool without any measures is difficult to achieve.

The one-size-fits-all idea

The original papers by Kaplan and Norton (1992, 1993, 1996) have a target audience in large firms. This assumption is verified mainly through the examples given in early BSC papers. Users or intended users mentioned in the texts are banks and technology firms of substantial size, whereas public-sector organizations or small and medium-sized enterprises (SMEs) are not addressed.

SMEs appear to be neglected not only by Kaplan and Norton, but also by others. The literature reveals that very few contributions are directly linked to SMEs (Andersen *et al.*, 2001; Hudson *et al.*, 2001; Tennant and Tanoren, 2005). Most of these articles suggest that there is a case for the scorecard in SMEs, but it must be modified, both in form and in its planned implementation, and the service it can provide will differ from what it achieves in large corporations. Tennant and Tanoren (2005) acknowledge this problem in their study of how a BSC can be implemented and used in a SME environment. They conclude that the BSC is usable but has some deficiencies, since SMEs are aligned differently from large corporations. Whereas the latter can plan for long periods ahead, SMEs are deemed to work on a more day-to-day agenda. It is widely considered that a one-size-fits-all model is not adequate in all organizations. Changes are therefore needed before the BSC is implemented in SMEs (McAdam, 2000) or in public organizations (Elefalk, 2001).

The BSC as a one-size-fits-all application

Johnsen (2001) warns that if the BSC is implemented as prescribed it may, at least in public organizations, culminate in a dysfunctional central planning system that fails to stimulate learning. The one-size-fits-all suggestion is highly questionable. Many adopters of the BSC implement the model partially, or sometimes it seems as if they have implemented only the scorecard itself. It has sometimes been found questionable whether the scorecard introduced is that of Kaplan and Norton or whether it is the implementer's own model, based on ideas borrowed from other sources (Elefalk, 2001; Johanson and Skoog, 2001; Käll, 2005; Bukh and Malmi, 2005).

When the BSC is implemented in non-profit organizations it is evident that the model originally proposed by Kaplan and Norton, with its four perspectives, lacks usefulness. This notion is supported by Elefalk's (2001) paper on the implementation of a BSC in the Swedish Police Service. In order to facilitate this implementation, the four perspectives of the BSC model were adapted to the specific requirements of police work. The new, modified model differs so much from that proposed by Kaplan and Norton that it may fairly be described as entirely new.

It is debatable whether the BSC model is sufficiently clear and well defined to be regarded as a one-size-fits-all model, if any such model exists. Not only Elefalk (2001)

but also Speckbacher *et al.* (2003) and Aidemark (2001) have described flexible adoptions of the original BSC model. In a German study of 174 publicly traded firms, 26 per cent claimed to use the BSC (Speckbacher *et al.*, 2003). However, most of these firms used only a limited version and one-third of the users had no learning and growth perspective. Half of the firms stated that they formulate the cause-effect relationships among various objectives and measures. Large firms are more likely to adopt the BSC, but aggregated corporate measures are said to be less useful than measures at unit level.

In the healthcare organization investigated by Aidemark (2001), there is less emphasis on financial performance. Aidemark (2001) holds that it may be the flexible nature of the BSC that promotes acceptance of the model. Modell (2004), too, supports the idea that a successful adaptation of the BSC is a matter of flexibility, creativity and adjustment. This prompts considerations about the very existence of any useful BSC standard and whether it really matters if there is no one-size-fits-all model.

The time dimension

The time dimension is often left out of discussions and analyses of research on management control and accounting. There are, however, a few exceptions, such as Mouritsen and Bekke (1999); Nørreklit (2000); Skoog (2003a); Quattrone and Hopper (2005); and Bukh and Malmi (2005). By applying notions of time, we hope to contribute to the understanding of why and how certain control characteristics are crucial to an understanding of the balance or imbalance of the BSC.

Nørreklit (2000) analyzed the cause-and-effect chain assumptions presented in the BSC model. In her view, the BSC is a flawed model, often based on false estimations of the cause-effect relationship. Her conclusion regarding this relationship is that the BSC model, as presented by Kaplan and Norton (1992, 1993, 1996), lacks a time-lag dimension because it measures different activities at the same point in time. According to Nørreklit (2000), the various time scales of the different areas in the scorecard are not considered. Whereas the effect of some activities (e.g. dismissal of several part-time employees) is almost immediate, the impact of others (e.g. investments in R&D processes) will be recognized only later, or gradually over time. However, it is arguable that a systematized approach characterized by regularity assists consideration of the time dimension. Producing measurements on a regular and systematized basis enables some of the time gaps between different activities to be taken into account even when they are measured at the same time (Skoog, 2003a; Bukh and Malmi, 2005).

The aspect of time is traditionally divided into “abstract time”, which relates to doing something on time according to the clock (punctually), and “meaningful time”, which relates to doing something with the right timing regardless of actual (clock) time (Rämö, 1999). Applied to the field of management control, “on time” relates to activities directly associated with and directed at set targets and time schedules. The notion of the “right timing” is more closely linked to management control activities that take into account how other parts of the organization may be affected and how the activity fits into the present internal and external organizational situation. Executing activities or taking decisions “with the right timing” does not exclude the possibility that they are “on time”, but such punctuality is not a high-priority factor in organizations that mainly apply a meaningful time perspective (Skoog, 2003a).

How does the notion of time fit into an organization's ability to balance its management control process? Management control activities are dependent on the regularity of the control system through a set of local targets and strategic objectives related to specific periods. However, without any timing of these activities, their potential future effects will most likely fade. As with many aspects of management control in general, there may also be a continuous trade-off between promoting activities on time and doing so with the right timing. In certain situations managers may have to rely on the timing of activities instead of focusing on the set times of strategic objectives and the targets linked to these objectives. Although short-term activities mainly relating to "on-time targets" will always be practised, the scorecard notion of how different parts, levels and/or logics of the organization are mutually connected may emphasize the need for, and thereby increase the scope for, better timing of various activities. It is not obvious that the BSC will facilitate better timing.

The BSC as a facilitator of a long-term perspective

One of the original legitimizing aspects of the BSC as a management control model is that it should enable organizations to become more oriented towards long-term revenue, rather than short-term costs, in their management control routines (Kaplan and Norton, 1992, 1993, 1996). This endeavour is demonstrated by the inclusion of multiple control perspectives in the model and the adoption of a strategic and visionary agenda. Tennant and Tanoren (2005) report that when the BSC was implemented in SMEs, its short-term (as opposed to long-term) scope was reinforced. By necessity an organization does not become less short-sighted, or more cost-oriented towards long-term revenue only because the traditional perspective, with its orientation towards financial cost, is presented in conjunction with other aspects, such as customer satisfaction, business-process quality, and learning and growth potential.

Different organizational logics

Over the past few years there have been many attempts to implement the BSC in public-sector organizations. The aims of these attempts have included visions, strategies and value creation within the organization (Mouritsen *et al.*, 2004) and improved quality (Guthrie *et al.*, 2004). Experiences to date are mixed with reference to, for example, a public organization's vision, strategy, target formulation and implementation.

The BSC as an arena for dialogue

Formulating the organization's vision and objectives may be a more complex process in public-sector organizations than in private firms, since public organizations are also political organizations. The goals and visions of public-sector organizations must be adapted to the outcome of political elections. After every new election, strategic management can thus become a rather turbulent activity, given that the various political majorities have different issues at heart. Consequently, key features of good management, such as long-term strategies and coherence, are sometimes sacrificed (Almqvist and Högberg, 2003). But it has also been shown that, all too often, politicians and civil servants understand and describe the organization and its goals in different terms (Almqvist, 1998). For example, to most politicians the "satisfied-customer index" must be no less than 100 per cent (from an ideological standpoint, they have problems

in accepting any degree of dissatisfaction among citizens or care recipients), but this is an unreasonable requirement from the administration's point of view. The explanation may be that, quite often, politicians lack knowledge of the conditions and consequences of political decisions in public administration (Brunsson, 1989). The BSC may function as a tool, or arena, for dialogue between the political and administrative levels, but it could also serve to increase the gap between them.

If such an arena is created, it may have the potential to balance the various organizational levels and afford a common understanding of the visions, goals and perspectives to be accomplished. Furthermore, if it were possible for different political ideologies (at least locally) to accept such an arena for dialogue, a more strategic understanding could be introduced within the management control processes. But as Wollenstonecraft suggested back in the 18th century, exploring the differences may exacerbate dissensions instead of giving an impetus to change (Johanson and Mårtensson, 2006).

Balancing different BSC perspectives under poor financial conditions

Various studies claim that different organizational logics in public-sector organizations tend to be isolated from one another (Almqvist, 2004). This mainly concerns the financial logics and processes that have existed in isolation from the non-financial logics and processes. Financial logic often appears to dominate non-financial logic (Jönsson *et al.*, 1995; Almqvist, 1998). As a result, organizational change in public-sector organizations has often been justified as a means of attaining satisfactory budgetary control, rather than of optimizing performance and quality (Jönsson, 1997). It has also been claimed that when cutbacks and dwindling resources occur, the financial focus too easily takes over as the dominant management principle. In effect, budget adherence tends to become an end in itself, rather than a means of attaining organizational objectives. Is balancing the various BSC perspectives feasible under poor financial conditions? Under which conditions is a balance achievable? As proposed above, revealing different foci of interest may accentuate disparate views instead of contributing to a holistic approach.

The BSC as a means of shifting focus in management control processes

The dominant role of budgetary control in the public sector has evoked serious criticism from various actors in, for example, the new public management (NPM) movement (Hood, 1991). NPM advocates claim that public-sector organizations should change the core perspective in management control processes from stressing input to stressing output and outcome, i.e. shifting the management control processes towards the right side of the classical "input/output" model. In the hope of obtaining such management control, many public-sector organizations have tried to apply the management by objectives (MBO) philosophy to bring complex objectives down to earth and make them measurable.

Unfortunately, studies have often revealed the difficulties of changing the management control perspective in public-sector organizations (Almqvist, 2004). There are examples illustrating the fact that MBO, when applied, does not help the organization to change its perspective towards the output and outcome envisaged. Rather, it may sometimes strengthen the organization's orientation towards input. There are also indications that MBO can have paradoxical consequences, such as

making the organization's objectives less measurable (Almqvist and Högberg, 2003). The BSC could help to shift the focus from input to output but it could also reinforce the attention on resources, i.e. the input.

The BSC as a means of improving goal-setting and goal congruence

Introducing decentralization in public-sector organizations, too, has been problematic. One problem has been the top management's need to formulate clear primary goals. This has led to problems in adapting objectives to different organizational levels. Unclear objectives allow a multitude of interpretations among the organization's units and increase the risk of different units formulating contrasting, or even conflicting, goals and key measures (Almqvist and Högberg, 2003) and, in the end, to a "black boxing" of local action (Quattrone and Hopper, 2005). The achievement of goal congruence is a central issue with the BSC, which may be a tool to improve goal congruence. For example, in evaluating the adoption of the BSC in a public healthcare organization, Aidemark (2001) found that the BSC helped to reduce tensions between management and professionals. The scorecard was used for horizontal, rather than top-down, communication. The horizontal communication facilitated the achievement of goal congruence.

Many organizations, or at least professional ones, are problematic to manage because they contain strong professions with robust values and attitudes about how the work is to be performed. These values and the management's vision and objectives have been shown to be not always in harmony (Covaleski, 1981; Almqvist, 2001), and achieving goal congruence in professional organizations may be a highly delicate matter. The BSC may help to achieve goal congruence and therefore decentralization but it could just as well manifest different interests.

Developing the BSC as an instrument for change

Johanson *et al.* (2001a, b) investigated the development of management control systems and processes in nine large Swedish companies. As they saw it, the evolution of the BSC-oriented model was hampered by a poor financial situation in each firm. To grasp the importance of intangible resources in the value-creation process and mobilize the attention and action of middle management, it was important to develop the management control system and supporting routines (Johanson *et al.*, 2001a, b). However, this contradicts what was proposed by Jönsson (1997). He argued that in a public organization under poor financial conditions, arguments of promoting better budgetary control and thus conserving the traditional tools of management accounting and control become even more important. In general terms, it is arguable that when the organization's existence or its members are threatened, the old traditional and ritual management accounting and control behaviour becomes even more rigid and difficult to change, despite the possible need for reformed management control. A dilemma is that even if the BSC, with its emphasis on management control and non-financial indicators, may have the potential to demolish rigid ritual behaviour (as in the nine Swedish cases) the model may, at the same time, have difficulty in withstanding the management's rigid accounting rituals.

The future of the BSC as a management control tool

Numerous examples show that organizational reforms seldom yield the expected effects (March and Olsen, 1983). It is primarily their symbolic value, and the manner in which reforms create legitimacy (Meyer and Rowan, 1977), that is of interest. An organizational reform may also be a showcase for the external environment, whereby the organization displays its modernity (Czarniawska and Joerges, 1996). As was pointed out above, only about five years after the first Kaplan and Norton (1992) article on the BSC, numerous firms were claiming that they used it (Johanson *et al.*, 1999). Had they really changed their management control model or was it just for show? Transforming a management control model is a matter of long-term, sustainable evolution (Epstein and Manzoni, 1998; Johanson *et al.*, 2001a, b; Skoog, 2003b).

No organization can attain complete balance in the management control process. It may be argued that promoting connectivity, regularity and stability in terms of the management control process and system may enable a respectable level of balance to be reached (Skoog, 2003a). Connectivity relates to clarification of possible cause-and-effect relationships within an organization, and this, *per se*, implies that an activity or decision in a particular part of the organization may be related to an effect in another part at some other point in time (Nörreklit, 2000). Regularity relates to the frequency of measurements and of the reporting of results. By promoting a certain degree of stability to balance excessively rapid change in the management control system, organizations may link their past experience and promote learning about future means of transforming the system.

In what way do these features assist organizations in balancing their control process?

First, the features of connectivity, regularity and stability have a potential to assist more comprehensively in allocating attention to, and control of, the organization in relation to the defined management control (scorecard) agenda. However, and perhaps more importantly, these features may ultimately change management's understanding of the value-creation process, thereby continuously transforming the defined management control agenda.

Second, these features may also enable managers to balance their attention to those items on the agenda that must be dealt with strictly on time, to meet certain operational targets, and to those activities that require more time in relation to other operational targets and the organization's more strategic objectives.

Third, if certain relations and connections over time are clarified, their features may assist managers in communicating and legitimizing certain activities that would be harder to legitimize, given data that are more discrete and *ad hoc*, and structured in completely different ways.

However, it is not self-evident that the BSC is a more effective means of understanding and promoting value creation, productivity and profitability than traditional management control methods. Additionally, it is not obvious that the BSC is potentially better at bridging the abstraction gap and surmounting the mental barrier between top management and employees. Can a one-size-fits-all, top-down model stressing strategies, goal congruence and collaboration initiated from the top work in such a way that the individual's intelligibility, empowerment, meaningfulness and love are satisfied for the sake of increased productivity in public organizations, as well as in firms of all sizes?

The answer is rather obvious. A reductionist model, albeit more exhaustive than traditional accounting or management control models, cannot serve to manage and balance intelligibility, empowerment, meaningfulness, love and time. Just as traditional management accounting and management control were slated of creating a gap between top management and others in an organization, so this criticism can be levelled against the BSC. Even in the original diagram proposed by Kaplan and Norton (1992), innovation and renewal – which are highly dependent on individual well-being, creativity and love – were placed at the bottom. In addition, there was no specific focus on human resources. Why? This may reveal a psychological barrier between top management and those who are supposed – but not really invited – to participate.

Interpreted positively, the BSC assists top management in gaining a better understanding of what internal and external activities are to be regarded as important in the long- as well as the short-term, expressed in both financial and non-financial terms. It may be argued that the BSC displays similarities to a Tayloristic fragmentation. The BSC may promote the control agenda where more detailed norms and rules are gaining acceptance in the name of a holistic and balanced organizational management control approach. Accordingly, the psychological gap and the abstraction might increase on behalf of understanding, goal congruence and cooperation. Will the BSC succeed in its own balancing act?

The answer is both yes and no. We can never say that the BSC has died or will die, nor that it will survive or has survived, since no single, uniform BSC exists. There are numerous BSCs. As the various corporate applications have shown, the notion of a BSC is open to various interpretations and applications (Bukh and Malmi, 2005). The most successful applications have been highly flexible, compared with the original BSC proposal by Kaplan and Norton (1992). The BSC represents an idea, and one that is arguably not new. In 1979, Parker suggested a balanced view of firms' operations (Parker, 1979). Even earlier, *Tableaux de bord* were introduced in France (Epstein and Manzoni, 1998). However, until 1992 the term "balanced scorecard" was not common.

Whether implementation should be full or partial is not an interesting issue. The issue at stake is how the organization is managed. There is a need for balance: between different perspectives, and between financial and non-financial measures; between short- and long-term perspectives; between satisfying individuals' need for freedom and "love" and compromising on commonly accepted goals and norms in the organization; between aligning people with strategy and inviting people to assist in devising the strategy; between reflection and action; and between focusing on input and output factors.

But there is no need for a balance between old, rigid management control routines, with a limited and short-sighted view of cost reduction on the one hand, and new management control routines on the other. Rather, the need is to extend the boundaries of management control systems and processes to overcome the problems of abstraction, short-sightedness, monetary orientation, simplification and lack of focus on intangible resources. BSC ideas can be used to open up and shift these boundaries.

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